

Budget Unit Brief

FY 2017



Health Insurance Premium Reserve Fund

Purpose and History

The Health Insurance Premium Reserve Fund receives health insurance deductions from payroll and state contributions to pay the estimated claims outstanding at the point the state discontinued the current insurance carrier coverage and switched to another carrier. The money is reserved for the payment of incurred and not reported medical bills of state employees at the time the current insurance carrier's contract is terminated.

The state is permitted to establish plans and procure group insurance for the employees of the state. The funds for such plans are to be created solely from the contributions of employees or from contributions wholly or in part by the state. The Fund for each plan is to be under the control and expended under the directions of the state and is to be used solely for the purpose of administering and carrying out the provisions of the plan adopted by the state. Any interest earnings from investments or time deposits of the funds under the control of the State Executive Council are to be deposited to the credit of the Fund.

Related Statutes and Administrative Rules

Iowa Code chapter [509A](#)

Revised August 30, 2016

More Information

Department of Administrative Services Human Resources: <http://benefits.iowa.gov/>

Iowa General Assembly: <https://www.legis.iowa.gov/index.aspx>

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